



QUARTERLY STATEMENT

AS OF MARCH 31, 2006
OF THE CONDITION AND AFFAIRS OF THE

Tennessee Behavioral Health, Inc.

NAIC Group Code 0000 0000 NAIC Company Code 95780 Employer's ID Number 62-1621636
(Current Period) (Prior Period)

Organized under the Laws of Tennessee, State of Domicile or Port of Entry Tennessee
Country of Domicile United States of America

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Dental Service Corporation []
Vision Service Corporation [] Other [] Health Maintenance Organization []
Hospital, Medical & Dental Service or Indemnity [] Is HMO, Federally Qualified? Yes [] No []

Incorporated/Organized 12/15/1995 Commenced Business 07/01/1996

Statutory Home Office 222 Second Ave. N. Suite 220, Nashville, TN 37201
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 222 Second Ave. N. Suite 220, Nashville, TN 37201 615-313-4463
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 222 Second Ave. N. Suite 220, Nashville, TN 37201
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 222 Second Ave. N. Suite 220, Nashville, TN 37201 615-313-4463
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact Donnie Pennington, 615-313-4463
(Name) (Area Code) (Telephone Number) (Extension)
drpennington@magellanhealth.com, 615-313-4481
(E-mail Address) (FAX Number)

Policyowner Relations Contact _____, _____, _____
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

Name	Title	Name	Title
<u>Russell C. Petrella</u>	<u>President</u>	<u>Andrew M. Cummings</u>	<u>Secretary</u>
_____	_____	_____	_____

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Russell C Petrella Mark S. Demilio _____

State of _____
County of _____ SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Russell C. Petrella
President

Andrew M. Cummings
Secretary

a. Is this an original filing? Yes [X] No []

b. If no,
1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

Subscribed and sworn to before me this _____
day of _____,

STATEMENT AS OF MARCH 31, 2006 OF THE Tennessee Behavioral Health, Inc.

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	3,200,641		3,200,641	3,201,199
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$47,659,885), cash equivalents (\$0) and short-term investments (\$0)	47,659,885		47,659,885	44,116,556
6. Contract loans, (including \$premium notes)			0	0
7. Other invested assets	0	0	0	0
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	50,860,526	0	50,860,526	47,317,755
11. Title plants less \$ charged off (for Title insurers only)			0	0
12. Investment income due and accrued	35,072		35,072	63,042
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	3,330,739		3,330,739	2,401,499
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
13.3 Accrued retrospective premiums			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	0
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon			0	0
16.2 Net deferred tax asset			0	0
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software			0	0
19. Furniture and equipment, including health care delivery assets (\$)			0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates	55,565	41,595	13,970	41,595
22. Health care (\$105,723) and other amounts receivable	105,723		105,723	0
23. Aggregate write-ins for other than invested assets	0	0	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	54,387,625	41,595	54,346,030	49,823,891
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	54,387,625	41,595	54,346,030	49,823,891
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Risk Share Receivable.....			0	0
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	23,719,248		23,719,248	23,107,471
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses			0	0
4. Aggregate health policy reserves			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	384,199
9. General expenses due or accrued	452,354		452,354	326,396
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))	6,955,832		6,955,832	5,402,550
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	29,311		29,311	208,620
16. Payable for securities			0	0
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans			0	0
21. Aggregate write-ins for other liabilities (including \$ current)	1,828,725	0	1,828,725	1,877,167
22. Total liabilities (Lines 1 to 21)	32,985,470	0	32,985,470	31,306,403
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	1,000	1,000
25. Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX	12,682,036	12,682,036
27. Surplus notes	XXX	XXX	11,168,341	11,168,341
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	(2,490,817)	(5,333,889)
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24) \$)	XXX	XXX		0
30.2 shares preferred (value included in Line 25) \$)	XXX	XXX		0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	21,360,560	18,517,488
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	54,346,030	49,823,891
DETAILS OF WRITE-INS				
2101. Premium Tax Payable	996,767		996,767	1,344,729
2102. Unclaimed Property	150,197		150,197	254,702
2103. Payable to State of Tennessee/Risk Share Payable	681,761		681,761	277,736
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	1,828,725	0	1,828,725	1,877,167
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	1,830,790	2,079,308
2. Net premium income (including \$ non-health premium income).....	XXX	48,060,902	58,165,975
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	(404,024)	(429,037)
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	47,656,878	57,736,938
Hospital and Medical:			
9. Hospital/medical benefits		18,694,735	29,595,587
10. Other professional services		19,610,649	21,392,352
11. Outside referrals			0
12. Emergency room and out-of-area			0
13. Prescription drugs			0
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			0
16. Subtotal (Lines 9 to 15)	0	38,305,384	50,987,939
Less:			
17. Net reinsurance recoveries			0
18. Total hospital and medical (Lines 16 minus 17)	0	38,305,384	50,987,939
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$ cost containment expenses.....		480,609	581,660
21. General administrative expenses.....		4,992,559	5,819,076
22. Increase in reserves for life and accident and health contracts including \$ increase in reserves for life only).....			0
23. Total underwriting deductions (Lines 18 through 22)	0	43,778,552	57,388,675
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	3,878,326	348,263
25. Net investment income earned		559,623	185,129
26. Net realized capital gains (losses) less capital gains tax of \$			0
27. Net investment gains (losses) (Lines 25 plus 26)	0	559,623	185,129
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	4,437,949	533,392
31. Federal and foreign income taxes incurred	XXX	1,553,282	186,687
32. Net income (loss) (Lines 30 minus 31)	XXX	2,884,667	346,705
DETAILS OF WRITE-INS			
0601. Risk Share Revenue.....	XXX	(404,024)	(429,037)
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	(404,024)	(429,037)
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year
CAPITAL AND SURPLUS ACCOUNT:			
33. Capital and surplus prior reporting year.....	18,517,488	7,133,779	7,133,779
34. Net income or (loss) from Line 32.....	2,884,667	346,705	11,383,376
35. Change in valuation basis of aggregate policy and claim reserves.....		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....		0	0
37. Change in net unrealized foreign exchange capital gain or (loss).....		0	0
38. Change in net deferred income tax.....		0	0
39. Change in nonadmitted assets.....	(41,595)	334	333
40. Change in unauthorized reinsurance.....	0	0	0
41. Change in treasury stock.....		0	0
42. Change in surplus notes.....	0	0	0
43. Cumulative effect of changes in accounting principles.....		0	0
44. Capital Changes:			
44.1 Paid in.....		0	0
44.2 Transferred from surplus (Stock Dividend).....		0	0
44.3 Transferred to surplus.....		0	0
45. Surplus adjustments:			
45.1 Paid in.....		0	0
45.2 Transferred to capital (Stock Dividend).....	0	0	0
45.3 Transferred from capital.....		0	0
46. Dividends to stockholders.....		0	0
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0	0
48. Net change in capital & surplus (Lines 34 to 47).....	2,843,072	347,039	11,383,709
49. Capital and surplus end of reporting period (Line 33 plus 48)	21,360,560	7,480,818	18,517,488
DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	0	0	0

Tennessee Behavioral Health, Inc. - Middle/West Regions
 BHO TennCare Operations Statement of Revenue and Expenses
 For the Quarter Ending March 31, 2006
 Report 2A

	Current Quarter	Year to Date Total
Member Months	522,302	522,302
Revenues		
TennCare Capitation	14,259,946	14,259,946
Risk Share	(404,025)	(404,025)
Investment (Interest)	162,031	162,031
Other Revenues	0	0
Total Revenues	14,017,953	14,017,953
Expenses		
Mental Health & Substance Services		
Inpatient Psychiatric Facility services	3,850,149	3,850,149
Inpatient Substance Abuse Treatment and Detox	85,996	85,996
Outpatient Mental Health Services	3,141,904	3,141,904
Outpatient Substance Abuse Treatment and Detox	254,332	254,332
Housing/Residential Treatment	827,678	827,678
Specialized Crisis Services	528,439	528,439
Psychiatric Rehab and Support Services	176,281	176,281
Case Management	2,285,373	2,285,373
Forensics		
Other Judicial		
Pharmacy		
Lab Services	26,691	26,691
Transportation	250,461	250,461
Medical Incentive Pool and Withhold Adjustments		
Occupancy, Depreciation and Amortization		
Other Mental Health and Substance Abuse Services		0
PCP and Specialists Services		
Subtotal	11,427,304	11,427,304
Reinsurance Expense Net of Recoveries		
Less:		
Copayments		
Subrogation		
Coordination of Benefits		
Subtotal		
Total Medical and Substance Abuse	11,427,304	11,427,304
Claim Adjustment Expense	142,599	142,599
Administration ¹		
Rent	16,103	16,103
Salaries and Wages	666,360	666,360
Commissions	3,844	3,844
Contributions for benefit plans for employees		
Payments to employees under non-funded benefit plans		
Other employee welfare		
Legal fees and expenses	10,941	10,941
Medical examination fees		
Utilization management		
Certifications and accreditation	0	0
Auditing, actuarial and other consulting services	61,833	61,833
Traveling expenses	19,606	19,606
Marketing and advertising	17,273	17,273
Postage, express, telegraph and telephone	31,900	31,900
Printing and stationary	9,085	9,085
Occupancy, depreciation and amortization	334,654	334,654
Rental of equipment	702	702
Outsourced services includes EDP, claims, and other services	14,433	14,433
Books and periodicals		
Boards, bureaus and association fees	6,398	6,398
Insurance, except on real estate	0	0
Collection and bank service charges	3,560	3,560
Group service and administration fees		
Reimbursements from fiscal intermediaries		
Real estate expenses		
Real estate taxes	294	294
Bad Debt Expense		
Taxes, licenses and fees:		
State and local insurance taxes		
State premium taxes	277,164	277,164
Insurance department licenses and fees		
Payroll taxes		
Other (excluding federal income and real estate taxes)	3,813	3,813
Investment expenses not included elsewhere		
Write-Ins		
Total Administrative Expenses	1,477,963	1,477,963
Total Expenses	13,047,867	13,047,867
Income/(loss) before allocated income taxes	970,086	970,086
Benefit (provision) for income taxes	(339,530)	(339,530)
Net Income (Loss)	630,556	630,556

Tennessee Behavioral Health, Inc. - East Region
 BHO TennCare Operations Statement of Revenue and Expenses
 For the Quarter Ending March 31, 2006
 Report 2A

	Current Quarter	Year to Date Total
Member Months	1,308,488	1,308,488
Revenues		
TennCare Capitation	33,800,956	33,800,956
Risk Share	0	0
Investment (Interest)	397,592	397,592
Other Revenues	0	0
Total Revenues	34,198,548	34,198,548
Expenses		
Mental Health & Substance Services		
Inpatient Psychiatric Facility services	8,194,205	8,194,205
Inpatient Substance Abuse Treatment and Detox	538,115	538,115
Outpatient Mental Health Services	6,058,423	6,058,423
Outpatient Substance Abuse Treatment and Detox	490,407	490,407
Housing/Residential Treatment	2,791,623	2,791,623
Specialized Crisis Services	1,611,998	1,611,998
Psychiatric Rehab and Support Services	537,745	537,745
Case Management	5,819,945	5,819,945
Forensics		
Other Judicial		
Pharmacy		
Lab Services	28,217	28,217
Transportation	807,402	807,402
Medical Incentive Pool and Withhold Adjustments		
Occupancy, Depreciation and Amortization		
Other Mental Health and Substance Abuse Services	0	0
PCP and Specialists Services		
Subtotal	26,878,079	26,878,079
Reinsurance Expense Net of Recoveries		
Less:		
Copayments		
Subrogation		
Coordination of Benefits		
Subtotal		
Total Medical and Substance Abuse	26,878,079	26,878,079
Claim Adjustment Expense	338,010	338,010
Administration ¹		
Rent	38,169	38,169
Salaries and Wages	1,579,502	1,579,502
Commissions	9,112	9,112
Contributions for benefit plans for employees		
Payments to employees under non-funded benefit plans		
Other employee welfare		
Legal fees and expenses	25,934	25,934
Medical examination fees		
Utilization management		
Certifications and accreditation	1	1
Auditing, actuarial and other consulting services	146,497	146,497
Traveling expenses	46,474	46,474
Marketing and advertising	40,944	40,944
Postage, express, telegraph and telephone	75,613	75,613
Printing and stationary	123,386	123,386
Occupancy, depreciation and amortization	687,276	687,276
Rental of equipment	1,665	1,665
Outsourced services includes EDP, claims, and other services	34,211	34,211
Books and periodicals		
Boards, bureaus and association fees	9,996	9,996
Insurance, except on real estate		0
Collection and bank service charges	13,856	13,856
Group service and administration fees		
Reimbursements from fiscal intermediaries		
Real estate expenses		
Real estate taxes	697	697
Bad Debt Expense		
Taxes, licenses and fees:		
State and local insurance taxes		
State premium taxes	676,019	676,019
Insurance department licenses and fees		
Payroll taxes		
Other (excluding federal income and real estate taxes)	5,242	5,242
Investment expenses not included elsewhere		
Write-Ins		
Total Administrative Expenses	3,514,596	3,514,596
Total Expenses	30,730,684	30,730,684
Income/(loss) before allocated income taxes	3,467,863	3,467,863
Benefit (provision) for income taxes	(1,213,752)	(1,213,752)
Net Income (Loss)	2,254,111	2,254,111

¹ The ASO fee Administration expense breakout is assumed based upon current sub-contractor's expenses.

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	46,747,463	215,541,545
2. Net investment income	588,150	958,973
3. Miscellaneous income	0	0
4. Total (Lines 1 to 3)	47,335,613	216,500,518
5. Benefits and loss related payments	38,384,443	173,393,671
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	5,407,841	26,204,231
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) \$ net of tax on capital gains (losses)	0	0
10. Total (Lines 5 through 9)	43,792,284	199,597,902
11. Net cash from operations (Line 4 minus Line 10)	3,543,329	16,902,616
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	0	2,600,000
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	2,600,000
13. Cost of investments acquired (long-term only):		
13.1 Bonds	0	2,600,598
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	2,600,598
14. Net increase (or decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	0	(598)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied).....	0	0
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	0	0
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Lines 15 and 17)	3,543,329	16,902,018
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	44,116,556	27,214,538
19.2 End of period (Line 18 plus Line 19.1)	47,659,885	44,116,556

STATEMENT AS OF MARCH 31, 2006 OF THE Tennessee Behavioral Health, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Stop Loss	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
Total Members at end of:													
1. Prior Year	609,835	0	0	0	0	0	0	0	609,835	0	0	0	0
2. First Quarter	601,361								601,361				
3. Second Quarter	0												
4. Third Quarter	0												
5. Current Year	0												
6. Current Year Member Months	1,830,790								1,830,790				
Total Member Ambulatory Encounters for Period:													
7. Physician	65,920								65,920				
8. Non-Physician	223,191								223,191				
9. Total	289,111	0	0	0	0	0	0	0	289,111	0	0	0	0
10. Hospital Patient Days Incurred	39,289								39,289				
11. Number of Inpatient Admissions	3,385								3,385				
12. Health Premiums Written	48,060,902								48,060,902				
13. Life Premiums Direct	0												
14. Property/Casualty Premiums Written	0												
15. Health Premiums Earned	48,060,902								48,060,902				
16. Property/Casualty Premiums Earned	0												
17. Amount Paid for Provision of Health Care Services	37,693,607								37,693,607				
18. Amount Incurred for Provision of Health Care Services	38,305,384								38,305,384				

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STATEMENT AS OF MARCH 31, 2006 OF THE Tennessee Behavioral Health, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)0	.0
2. Medicare Supplement0	.0
3. Dental Only0	.0
4. Vision Only0	.0
5. Federal Employees Health Benefits Plan0	.0
6. Title XVIII - Medicare0	.0
7. Title XIX - Medicaid	6,867,083	30,826,524	14,106,426	9,612,822	20,973,509	23,107,471
8. Other Health0	.0
9. Health Subtotal (Lines 1 to 8).....	6,867,083	30,826,524	14,106,426	9,612,822	20,973,509	23,107,471
10. Healthcare receivables (a)0	.0
11. Other non-health0	.0
12. Medical incentive pools and bonus amounts0	.0
13. Totals	6,867,083	30,826,524	14,106,426	9,612,822	20,973,509	23,107,471

(a) Excludes \$ loans and advances to providers not yet expensed.

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NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The accompanying financial statements of Tennessee Behavioral Health, Inc. ("TBH" or the "Company") have been prepared in conformity with the National Association of Insurance Commissioners (NAIC) Annual Statement Instructions, the NAIC Accounting Practices and Procedures Manual and the accounting practices prescribed or permitted by the State of Tennessee Department of Commerce and Insurance, which represents a comprehensive basis of accounting other than generally accepted accounting principles (GAAP).

Note 2 - Accounting Changes and Corrections of Errors

No significant change.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

No significant change.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

For federal income tax reporting purposes, the Company's operations are included in Magellan Health Services, Inc.'s (Magellan's) consolidated federal tax returns. The Company files a separate state income tax return.

The Company maintains federal tax sharing arrangements with Magellan. Through these arrangements, Magellan has allocated \$1,553,282 of provision for income tax for the three months ended March 31, 2006. The current arrangement calls for an allocation based on Magellan's effective tax rate before reflecting the allocation and after effecting for permanent differences. This amount is included in the accompanying statement of revenue and expenses. Income taxes receivable and payable are included in due to affiliates in the accompanying statement of liabilities, capital and surplus.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

The Company is a wholly owned subsidiary of Magellan Behavioral Health, Inc., which is directly owned by Magellan. The company holds no investments in any affiliated companies and makes no guarantees nor does it partake in any undertaking for the benefit of any affiliate.

Note 11 - Debt

No significant change.

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

No significant change.

Note 13 - Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 14 - Contingencies

No significant change.

Note 15 - Leases

No significant change.

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

No significant change.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

No significant change.

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

No significant change.

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

No significant change.

Note 20 - September 11 Events

No significant change.

Note 21 - Other Items

Effective January 2006, TennCare amended the risk sharing terms of the contract. TennCare will share in risks and gains only if the medical loss ratio is above ninety-one percent or below eighty-five percent. Otherwise, the contract is at full risk to the Company.

Note 22 - Events Subsequent

On April 7, 2006, TennCare issued a Request for Proposals ("RFP") for the management of the integrated delivery of behavioral and physical medical care to TennCare enrollees in the Middle region by managed care organizations. TennCare has indicated that the start date of any such contract awarded pursuant to the RFP is expected to be April 1, 2007. The Company's current contract to cover members in the Middle region runs through the June 30, 2007. Should the implementation of the integrated Middle region service delivery system occur prior to the expiration of the current contract term, the management of the Company believes that TennCare will amend the contract to assign the Middle region members to the new managed care organization.

On April 13, 2006, the Company retired the \$11,168,341 surplus note. The transaction was approved by the Department of Commerce and Insurance.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

No significant change.

Note 26 - Intercompany Pooling Arrangements

No significant change.

NOTES TO FINANCIAL STATEMENTS

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

No significant change.

Note 31 - Anticipated Salvage and Subrogation

No significant change.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

**PART 1 - COMMON INTERROGATORIES
GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []

- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.

- 3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, complete the Schedule Y - Part 1 - organizational chart.

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [] NA [X]
If yes, attach an explanation.

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 06/30/2004
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 06/30/2004
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 08/26/2005
- 6.4 By what department or departments?
Tennessee Department of Commerce and Insurance - Department of the Comptroller of the Treasury.....

- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 7.2 If yes, give full information:
.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?..... Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?..... Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

GENERAL INTERROGATORIES

FINANCIAL

- 9.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No
- 9.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$13,970

INVESTMENT

- 10.1 Has there been any change in the reporting entity's own preferred or common stock? Yes No
- 10.2 If yes, explain:

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes No

11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$

13. Amount of real estate and mortgages held in short-term investments: \$

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Statement Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$0	\$0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No

- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No

If no, attach a description with this statement.

- 16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes No

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
U.S. Bank.....	150 4th Avenue, 2nd Floor, Nashville, TN 37219.....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

- 16.3 Have there been any changes, including name changes in the custodian(s) identified in 16.1 during the current quarter? Yes No

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address

- 17.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes No

17.2 If no, list exceptions:

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
NONE		
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Increase (decrease) by adjustment	0	0
3. Cost of acquired	0	0
4. Cost of additions to and permanent improvements	0	0
5. Total profit (loss) on sales	0	0
6. Increase (decrease) by foreign exchange adjustment	0	0
7. Amount received on sales	0	0
8. Book/adjusted carrying value at end of current period	0	0
9. Total valuation allowance	0	0
10. Subtotal (Lines 8 plus 9)	0	0
11. Total nonadmitted amounts	0	0
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
NONE		
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year	0	0
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions	0	0
2.2. Additional investment made after acquisitions	0	0
3. Accrual of discount and mortgage interest points and commitment fees	0	0
4. Increase (decrease) by adjustment	0	0
5. Total profit (loss) on sale	0	0
6. Amounts paid on account or in full during the period	0	0
7. Amortization of premium	0	0
8. Increase (decrease) by foreign exchange adjustment	0	0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	0	0
10. Total valuation allowance	0	0
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts	0	0
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)	0	0

SCHEDULE BA – VERIFICATION

Other Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
NONE		
1. Book/adjusted carrying value of long-term invested assets owned December 31 of prior year	0	0
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions	0	0
2.2. Additional investment made after acquisitions	0	0
3. Accrual of discount	0	0
4. Increase (decrease) by adjustment	0	0
5. Total profit (loss) on sale	0	0
6. Amounts paid on account or in full during the period	0	0
7. Amortization of premium	0	0
8. Increase (decrease) by foreign exchange adjustment	0	0
9. Book/adjusted carrying value of long-term invested assets at end of current period	0	0
10. Total valuation allowance	0	0
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts	0	0
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	0	0

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	3,201,199	3,206,940
2. Cost of bonds and stocks acquired	0	2,600,598
3. Accrual of discount	0	0
4. Increase (decrease) by adjustment	0	0
5. Increase (decrease) by foreign exchange adjustment	0	0
6. Total profit (loss) on disposal	0	0
7. Consideration for bonds and stocks disposed of	0	2,600,000
8. Amortization of premium	558	6,339
9. Book/adjusted carrying value, current period	3,200,641	3,201,199
10. Total valuation allowance	0	0
11. Subtotal (Lines 9 plus 10)	3,200,641	3,201,199
12. Total nonadmitted amounts	0	0
13. Statement value	3,200,641	3,201,199

STATEMENT AS OF MARCH 31, 2006 OF THE Tennessee Behavioral Health, Inc.

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	3,201,199			(558)	3,200,641	0	0	3,201,199
2. Class 2	0				0	0	0	0
3. Class 3	0				0	0	0	0
4. Class 4	0				0	0	0	0
5. Class 5	0				0	0	0	0
6. Class 6	0				0	0	0	0
7. Total Bonds	3,201,199	0	0	(558)	3,200,641	0	0	3,201,199
PREFERRED STOCK								
8. Class 1	0				0	0	0	0
9. Class 2	0				0	0	0	0
10. Class 3	0				0	0	0	0
11. Class 4	0				0	0	0	0
12. Class 5	0				0	0	0	0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	3,201,199	0	0	(558)	3,200,641	0	0	3,201,199

Schedule DA - Part 1

NONE

Schedule DA - Part 2

NONE

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule S

NONE

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

States, Etc.	1	2	Direct Business Only Year-to-Date					
			3	4	5	6	7	8
	Guaranty Fund (Yes or No)	Is Insurer Licensed? (Yes or No)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefit Program Premiums	Life and Annuity Premiums and Deposit-Type Contract Funds	Property/Casualty Premiums
1. Alabama	AL	No						
2. Alaska	AK	No						
3. Arizona	AZ	No						
4. Arkansas	AR	No						
5. California	CA	No						
6. Colorado	CO	No						
7. Connecticut	CT	No						
8. Delaware	DE	No						
9. District of Columbia	DC	No						
10. Florida	FL	No						
11. Georgia	GA	No						
12. Hawaii	HI	No						
13. Idaho	ID	No						
14. Illinois	IL	No						
15. Indiana	IN	No						
16. Iowa	IA	No						
17. Kansas	KS	No						
18. Kentucky	KY	No						
19. Louisiana	LA	No						
20. Maine	ME	No						
21. Maryland	MD	No						
22. Massachusetts	MA	No						
23. Michigan	MI	No						
24. Minnesota	MN	No						
25. Mississippi	MS	No						
26. Missouri	MO	No						
27. Montana	MT	No						
28. Nebraska	NE	No						
29. Nevada	NV	No						
30. New Hampshire	NH	No						
31. New Jersey	NJ	No						
32. New Mexico	NM	No						
33. New York	NY	No						
34. North Carolina	NC	No						
35. North Dakota	ND	No						
36. Ohio	OH	No						
37. Oklahoma	OK	No						
38. Oregon	OR	No						
39. Pennsylvania	PA	No						
40. Rhode Island	RI	No						
41. South Carolina	SC	No						
42. South Dakota	SD	No						
43. Tennessee	TN	No	Yes		48,060,902			
44. Texas	TX	No	No					
45. Utah	UT	No	No					
46. Vermont	VT	No	No					
47. Virginia	VA	No	No					
48. Washington	WA	No	No					
49. West Virginia	WV	No	No					
50. Wisconsin	WI	No	No					
51. Wyoming	WY	No	No					
52. American Samoa	AS	No	No					
53. Guam	GU	No	No					
54. Puerto Rico	PR	No	No					
55. U.S. Virgin Islands	VI	No	No					
56. Northern Mariana Islands	MP							
57. Canada	CN	No	No					
58. Aggregate Other Alien	OT	XXX	XXX	0	0	0	0	0
59. Subtotal		XXX	XXX	0	0	48,060,902	0	0
60. Reporting entity contributions for Employee Benefit Plans		XXX	XXX					
61. Total (Direct Business)		XXX	(a) 1	0	0	48,060,902	0	0
DETAILS OF WRITE-INS								
5801.								
5802.								
5803.								
5898. Summary of remaining write-ins for Line 58 from overflow page				0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)				0	0	0	0	0

(a) Insert the number of yes responses except for Canada and other Alien.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART**



OVERFLOW PAGE FOR WRITE-INS

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

Schedule D - Part 3

NONE

Schedule D - Part 4

NONE

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

SCHEDULE E - PART 2 CASH EQUIVALENTS

Showing Investments Owned End of Current Quarter

1 CUSIP Identification	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due and Accrued	9 Gross Investment Income
NONE								
0199999 Total Cash Equivalents								

E09

Statement as of March 31, 2006 of the Tennessee Behavioral Health, Inc

Accident and Health Premiums Due and Unpaid

Individually list all debtors with account balances the greater of 10% of gross Premiums Receivable or \$5,000

Name of Debtor	1	2	3	4	5	6	
Not Currently Due	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	Nonadmitted	Admitted	
INDIVIDUALLY LIST ASSETS							
State of Tennessee-Capitation Fee W/H	-	1,129,038	-	-	2,201,700	-	3,330,739
Subtotal-Individually Listed Receivables 0199999	-	1,129,038	-	-	2,201,700	-	3,330,739
Subtotal-Receivables not Listed Individually 0299999							
Subtotal-Gross Premium Receivable 0399999	-	1,129,038	-	-	2,201,700	-	3,330,739
Less-Allowance for Doubtful Accounts 0499999							
Total Premiums Receivable (Page 2, Line 12 0599999	-	1,129,038	-	-	2,201,700		3,330,739

Statement as of March 31, 2006 of the Tennessee Behavioral Health, Inc

HEALTH CARE RECEIVABLES

Individually list all debtors with account balances greater of 10% of gross Health Care Receivables of \$5,000.

Name of Debtor	1 1-30 Days	2 31-60 Days	3 61-90 Days	4 Over 90 Days	5 Nonadmitted	6 Admitted
Quinco CMHC	-	-	105,723	-	-	105,723
0199999 Individually Listed Receivables	-	-	105,723	-	-	105,723
0299999 Receivables Not Individually Listed						
0399999 Gross Health Care Receivable	-	-	105,723	-	-	105,723
0499999 Less Allowance for Doubtful Accounts						
0599999 Health Care Receivables (Page 2, Line 21)				-	-	105,723

Statement as of March 31, 2006 of the Tennessee Behavioral Health, Inc

Amounts due from Parent, Subsidiaries and Affiliates

Name of Debtor	1 1-30 Days	2 31-60 Days	3 61-90 Days	4 Over 90 Days	5 Nonadmitted	6 Admitted Current	7 Non-Current
Premier Behavioral Systems	13,970	-	-	41,595	41,595	13,970	-
		-	-	41,595	41,595	13,970	-
0199999 Gross Amounts Due from Affiliates	13,970	-	-	41,595	41,595	13,970	
0399999 Amounts Due from Affiliates	13,970		-	41,595	41,595	13,970	-

Statement as of March 31, 2006 of the Tennessee Behavioral Health, Inc

Amounts due to Parent, Subsidiaries and Affiliates

Name of Creditor	1 Description	2 Amount	3 Current	4 Non-Current
Magellan Behavioral Health AdvoCare of Tennessee		1,367	1,367	-
		27,944	27,944	-
		29,311	29,311	-
0199999 Gross Amounts Due to Affiliates	-	29,311	29,311	-
0399999 Amounts Due to Affiliates		29,311	29,311	-